



Agenda

Finance Committee Meeting
August 4, 2008 – 5:15 pm
City Council Chambers

CITY CLERK'S OFFICE

DATE 8-1-08 TIME 3:30

SERVED BY LAURA VIGOR

RECEIVED BY [Signature]

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

JULY 21, 2008

MATTERS FROM THE COMMITTEE:

CONSENT AGENDA:

6. BID OPENINGS:
 - A. BID NO. 08/34/B – PROCUREMENT OF ONE (1) AUTOMATED SIDE-LOAD REFUSE TRUCK FOR SOLID WASTE MANAGEMENT DIVISION; TRUCKS WEST, INC. (BILL DEGRANDE)
 - B. BID NO. 08/43/B – PROCUREMENT OF CHEMICALS FOR WASTEWATER TREATMENT PLANT; POLYDYNE, INC. (LUIS OROZCO)
7. REQUEST FOR APPROVAL OF PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – PREPARATION OF MCCLURE AND NICHOLS EMERGENCY ACTION PLAN AND OPERATION AND MAINTENANCE CONTRACT FOR WATER DIVISION (RFP #08/31/P); URS CORPORATION (MICHAEL GONZALES)
8. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROJECT MANAGEMENT AND FISCAL SERVICES AGREEMENT – BUCKMAN DIRECT DIVERSION PROJECT; BUCKMAN DIRECT DIVERSION PROJECT BOARD, SANTA FE COUNTY AND SANGRE DE CRISTO WATER DIVISION OF THE CITY OF SANTA FE (NANCY LONG AND MARCOS MARTINEZ)



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9. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO LEGAL SERVICES AGREEMENT – AFFORDABLE HOUSING LAWSUIT; JOHN C. BIENVENU, ROTHSTEIN DONATELI HUGHES DAHLSTROM SCHOENBURG & BIENVENU, LLP (FRANK KATZ)
10. REQUEST FOR APPROVAL OF EMERGENCY PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – RE-ROOFING PROJECT AT FORT MARCY COMPLEX; ALL SEASONS ROOFING (JESUS VEGA)
11. REQUEST FOR APPROVAL OF DONATION OF FIRE ENGINE TO HILLSBORO VOLUNTEER FIRE DEPARTMENT (CHIEF CHRIS RIVERA)
12. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – INSTALLATION OF SPEED RADAR SIGNS AND REPAIR OF IN-GROUND LIGHT FIXTURE FOR ENGINEERING DIVISION; MCDADE WOODCOCK, INC. (LEROY PACHECO)
13. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – ON-CALL PLANNING AND ENGINEERING DESIGN SERVICES FOR NON-MOTORIZED TRAILS (RFP #07/26/P); GANNETT FLEMING WEST, INC. (LEROY PACHECO)
14. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – LANDSCAPE SERVICES FRANKLIN E. MILES PARK; SITES SOUTHWEST, LLC (BEN GURULE)
15. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FRANKLIN E. MILES PARK – PUBLIC RESTROOMS BUILDING; ROMTEC (MARY MACDONALD)
16. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – EQUIPMENT FOR THIRTY (30) POLICE VEHICLES; FIRST IN, INC. (CHIEF ERIC JOHNSON)
17. REQUEST FOR APPROVAL OF AMENDMENT TO PURCHASING MANUAL - \$30,000 THRESHOLD FOR PROCUREMENT OF GASOLINE AND DIESEL FUELS FOR PURCHASING DIVISION (ROBERT RODARTE)



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CONSENT AGENDA CONTINUED:

PROPOSED RESOLUTIONS AND ORDINANCES: (WITH NO FISCAL IMPACT)

18. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING STATE LEGISLATIVE ACTION RELATED TO REVISION OF THE DEVELOPMENT FEES ACT TO INCLUDE LIBRARIES AND SCHOOLS AS ELIGIBLE FACILITIES (COUNCILOR CHAVEZ) (PATRICK NICHOLSON)

Committee Review:

City Business and Quality of Life (Recommended Denial)
Public Works Committee (Approved)

June 18, 2008
July 28, 2008

19. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PURSUE A WORKFORCE DEVELOPMENT PROGRAM TO SERVE RESIDENTS IN THE SOUTHWEST SECTOR OF SANTA FE (COUNCILOR DOMINGUEZ) (KATHY MCCORMICK)

Committee Review:

City Business & Quality of Life (Recommended Approval w/Amendments) June 18, 2008

20. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON AUGUST 27, 2008 OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2008B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING AND DISCHARGING THE OUTSTANDING CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 1997A; AND CITY OF SANTA FE GROSS RECEIPTS TAX REVENUE BONDS, SERIES 1999; PROVIDING THAT THE REFUNDING BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM THE GROSS RECEIPTS TAX REVENUES; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, IN CONNECTION WITH THE REFUNDING BONDS; PROVIDING FOR REDEMPTION OF THE SERIES 1997A AND 1999 BONDS; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE REFUNDING BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE REFUNDING BONDS; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND RELATED MATTERS (DAVID MILLICAN)



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PROPOSED RESOLUTIONS AND ORDINANCES: (WITH FISCAL IMPACT)

21. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING NEW SECTIONS 14-2.10 AND 14-2.11 SFCC 1987 ESTABLISHING THE SANTA FE EXTRATERRITORIAL LAND USE AUTHORITY (ELUA) AND THE SANTA FE EXTRATERRITORIAL LAND USE COMMISSION (ELUC) (COUNCILOR ROMERO) (FRANK KATZ)

Committee Review:

Planning Commission (Recommended Approval)

July 17, 2008

Public Works Committee (Approved)

July 28, 2008

City Council (Request to Publish)

August 11, 2008

City Council (Public Hearing)

September 10, 2008

EXECUTIVE SESSION

22. DISCUSSION OVER THE DISPOSITION OF CERTAIN REAL PROPERTY TO PNM BY THE GOVERNING BODY, AN EXCEPTION TO THE OPEN MEETINGS ACT PURSUANT TO NMSA 10-15-1(H)(8). (MARCOS MARTINEZ)
23. REQUEST FOR APPROVAL OF THE DISPOSITION OF CERTAIN REAL PROPERTY BY PNM BY THE GOVERNING BODY (MARCOS MARTINEZ)

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

DISCUSSION:

24. REQUEST FOR APPROVAL OF 2008/2009 ARTICLES OF FIRE UNION NEGOTIATIONS (CHIEF CHRIS RIVERA)

PROPOSED RESOLUTIONS AND ORDINANCES: (WITH FISCAL IMPACT)

25. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING ARTICLE 24-4 SFCC 1987, THE SANTA FE TRAFFIC OPERATIONS PROGRAM OR "STOP", REGARDING VIOLATIONS OF THE TRAFFIC CODE DETECTED BY A CAMERA OR SPEED DEVICE (COUNCILORS TRUJILLO AND WURZBURGER) (CAPTAIN ANTHONY ROBBIN)

Committee Review:

Public Safety Committee (Approved w/Amendments)

July 15, 2008

Public Works Committee (Approved)

July 28, 2008

City Council (Request to Publish)

August 11, 2008

City Council (Public Hearing)

September 10, 2008



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26. REQUEST FOR APPROVAL OF A RESOLUTION AGREEING TO REJOIN THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT AS A VOTING MEMBER OF THE DISTRICT AND TO RE-APPOINT A BOARD MEMBER TO THE BOARD OF DIRECTORS (MAYOR COSS AND COUNCILOR CHAVEZ) (JON BULTHUIS)

Committee Review:

City Council (Schedule)

August 11, 2008

27. OTHER FINANCIAL INFORMATION:
- A. UPDATE ON GROSS RECEIPTS TAX FOR JUNE 2008 AND LODGERS' TAX FOR JUNE 2008 (DAVID MILLICAN)
 - B. PRESENTATION ON BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007/2008 (DAVID MILLICAN)
28. MATTERS FROM THE COMMITTEE
29. ADJOURNMENT

Interpreter for hearing impaired is available through City Clerk's Office upon 5 days notice.

**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, August 4, 2008**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES: JULY 21, 2008	Approved	3
<u>CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA</u>		
REQUEST FOR APPROVAL OF PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – PREPARATION OF MCCLURE AND NICHOLS EMERGENCY ACTION PLAN AND OPERATION AND MAINTENANCE CONTRACT FOR WATER DIVISION (RFP #08/31/P); URS CORPORATION	Approved	3-4
REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO LEGAL SERVICES AGREEMENT – AFFORDABLE HOUSING LAWSUIT; JOHN C. BIENVENU, ROTHSTEIN DONATELLI HUGHES DAHLSTRON SCHOENBURG & BIENVENU, LLP	Approved	4
REQUEST FOR APPROVAL OF EMERGENCY PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – REROOFING PROJECT AT FORT MARCY COMPLEX; ALL SEASONS ROOFING	Approved	4-5
REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – ON-CALL PLANNING AND ENGINEERING DESIGN SERVICES FOR NON-MOTORIZED TRAILS (RFP #07/26/P); GANNETT FLEMING WEST, INC.	Approved	5

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FRANKLIN E. MILES PARK – PUBLIC RESTROOMS BUILDING; ROMTEC	Approved	5-6
<u>DISCUSSION</u>		
<u>PROPOSED RESOLUTIONS AND ORDINANCES:</u> (WITH NO FISCAL IMPACT)		
REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON AUGUST 27, 2008, OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2008B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000, ETC.	Approved	7
<u>PROPOSED RESOLUTIONS AND ORDINANCES:</u> (WITH FISCAL IMPACT)		
REQUEST FOR APPROVAL OF AN ORDINANCE CREATING NEW SECTIONS 14-2.10 AND 14-2.11 SFCC 1987 ESTABLISHING THE SANTA FE EXTRATERRITORIAL LAND USE AUTHORITY (ELUA) AND THE SANTA FE EXTRATERRITORIAL LAND USE COMMISSION (ELUC)	Approved	7
REQUEST FOR APPROVAL OF 2008/2009 ARTICLES OF FIRE UNION NEGOTIATIONS	Approved	8
<u>PROPOSED RESOLUTIONS AND ORDINANCES:</u> (WITH FISCAL IMPACT)		
REQUEST FOR APPROVAL OF AN ORDINANCE CREATING ARTICLE 24-4 SFCC 1987, THE SANTA FE TRAFFIC OPERATIONS PROGRAM OR "STOP," REGARDING VIOLATIONS OF THE TRAFFIC CODE DETECTED BY A CAMERA OR SPEED DEVICE	Approved [amended]	8-14

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION AGREEING TO REJOIN THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT AS A VOTING MEMBER OF THE DISTRICT AND TO REAPPOINT A BOARD MEMBER TO THE BOARD OF DIRECTORS	Postponed to 08/18/08	14-15
MOTION TO GO INTO EXECUTIVE SESSION	Approved	15
MOTION TO COME OUT OF EXECUTIVE SESSION	Approved	16
DISCUSSION OVER THE DISPOSITION OF CERTAIN REAL PROPERTY TO PNM BY THE GOVERNING BODY, AN EXCEPTION TO THE OPEN MEETINGS ACT PURSUANT TO NMSA §10-15-1(H)(8)	Approved	16
REQUEST FOR APPROVAL OF THE DISPOSITION OF CERTAIN REAL PROPERTY BY PNM BY THE GOVERNING BODY	No action	16
OTHER FINANCIAL INFORMATION:		
UPDATE ON GROSS RECEIPTS TAX FOR JUNE 2008 AND LODGERS' TAX FOR JUNE 2008	Information/discussion	16
PRESENTATION ON BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007/2008	Information/discussion	16-19
MATTERS FROM THE COMMITTEE	None	19
ADJOURNMENT		20

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, August 4, 2008**

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Acting Chair Rebecca Wurzburger, at approximately 5:15 p.m., on Monday, August 4, 2008, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico. Chair Ortiz arrived at the meeting later and assumed the duties of the Chair.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Matthew E. Ortiz, Chair
Councilor Christopher Calvert
Councilor Miguel Chavez
Councilor Carmichael A. Dominguez
Councilor Rebecca Wurzburger

OTHERS ATTENDING:

Galen Buller, City Manager
David Millican, Finance Director
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Councilor Calvert said Item #20 and #21 are on consent, noting Item #20 does have a fiscal impact.

Mr. Millican said last week at the Council meeting, Councilor Ortiz asked that Items #20 and #21 be included in the consent agenda, but he failed to note there is a fiscal impact on Item #20.

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to move Items #20 and #21 from the Consent Agenda to the Discussion Agenda, and to approve the agenda, as amended.

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Dominguez moved, seconded by Councilor Calvert, to approve the following Consent Agenda as amended

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

CONSENT AGENDA

6. BID OPENINGS:

- A. BID NO. 08/34/B – PROCUREMENT OF ONE (1) AUTOMATED SIDE-LOAD REFUSE TRUCK FOR SOLID WASTE MANAGEMENT DIVISION; TRUCKS WEST, INC. (BILL DeGRANDE)**
- B. BID NO. 08/43/B – PROCUREMENT OF CHEMICALS FOR WASTEWATER TREATMENT PLANT; POLYDYNE, INC. (LUIS OROZCO)**

7. *[Removed for discussion by Councilor Wurzburger]*

8. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROJECT MANAGEMENT AND FISCAL SERVICES AGREEMENT – BUCKMAN DIRECT DIVERSION PROJECT; BUCKMAN DIRECT DIVERSION PROJECT BOARD, SANTA FE COUNTY AND SANGRE DE CRISTO WATER DIVISION OF THE CITY OF SANTA FE. (NANCY LONG AND MARCOS MARTINEZ)

9. *[Removed for discussion by Councilor Wurzburger]*

10. *[Removed for discussion by Councilor Wurzburger]*

11. REQUEST FOR APPROVAL OF DONATION OF FIRE ENGINE TO HILLSBORO VOLUNTEER FIRE DEPARTMENT. (CHIEF CHRIS RIVERA)

12. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – INSTALLATION OF SPEED RADAR SIGNS AND REPAIR OF IN-GROUND LIGHT FIXTURE FOR ENGINEERING DIVISION; McDADE WOODCOCK, INC. (LEROY PACHECO)

13. *[Removed for discussion by Councilor Wurzburger]*

14. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – LANDSCAPE SERVICES, FRANKLIN E. MILES PARK; SITES SOUTHWEST, LLC. (BEN GURULE)

15. *[Removed for discussion by Councilor Wurzburger]*
16. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – EQUIPMENT FOR THIRTY (30) POLICE VEHICLES; FIRST IN, INC. (CHIEF ERIC JOHNSON)
17. REQUEST FOR APPROVAL OF AMENDMENT TO PURCHASING MANUAL – \$30,000 THRESHOLD FOR PROCUREMENT OF GASOLINE AND DIESEL FUELS FOR PURCHASING DIVISION. (ROBERT RODARTE)

PROPOSED RESOLUTIONS AND ORDINANCES: (WITH NO FISCAL IMPACT)

18. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING STATE LEGISLATIVE ACTION RELATED TO REVISION OF THE DEVELOPMENT FEES ACT TO INCLUDE LIBRARIES AND SCHOOLS AS ELIGIBLE FACILITIES (COUNCILOR CHAVEZ). (PATRICK NICHOLSON) Committee Review: City Business and Quality of Life (Recommended Denial) June 18, 2008; and Public Works Committee (Approved) July 28, 2008.
19. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PURSUE A WORKFORCE DEVELOPMENT PROGRAM TO SERVE RESIDENTS IN THE SOUTHWEST SECTOR OF SANTA FE (COUNCILOR DOMINGUEZ). (KATHY McCORMICK) Committee Review: City Business & Quality of Life (Recommended Approval w/Amendments). June 18, 2008.

END OF CONSENT CALENDAR

5. APPROVAL OF MINUTES: JULY 21, 2008

MOTION: Councilor Dominguez moved, seconded by Councilor Calvert, to approve the minutes of the meeting of July 21, 2008, as presented.

VOTE: The motion was approved unanimously on a voice vote.

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

7. REQUEST FOR APPROVAL OF PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – PREPARATION OF MCCLURE AND NICHOLS EMERGENCY ACTION PLAN AND OPERATION AND MAINTENANCE CONTRACT FOR WATER DIVISION (RFP #08/31/P); URS CORPORATION. (MICHAEL GONZALES)

Councilor Wurzburger would like, in the future, some indication of unfunded mandates, which is what this is. She will visit with Mr. Gonzales in this regard so the Council can interact with the local Legislators.

MOTION: Councilor Wurzburger moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

9. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO LEGAL SERVICES AGREEMENT – AFFORDABLE HOUSING LAWSUIT; JOHN C. BIENVENU, ROTHSTEIN DONATELLI HUGHES DAHLSTRON SCHOENBURG & BIENVENU, LLP. (FRANK KATZ)

Responding to Councilor Wurzbarger, Frank Katz, City Attorney, said this is the lawsuit with respect to the 30%.

Councilor Wurzbarger asked if this is an estimate, they will be billing hourly, and we don't know if will spend \$50,000.

Mr. Katz said it is hoped we will spend less, noting a Motion to Dismiss has been done which is pending, and that may end the situation, although that probably is optimistic.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

10. REQUEST FOR APPROVAL OF EMERGENCY PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – REROOFING PROJECT AT FORT MARCY COMPLEX; ALL SEASONS ROOFING. (JESUS VEGA)

Councilor Wurzbarger noted the wood floor at Fort Marcy has been replaced four times, and we've just replaced the floor again, and we are now doing a roof. She wants to know that we now have a warranty on the floor which will last more than a year or two.

Mr. Vega said there will be a twelve year warranty on the roof. He said, with regard to the floor, excessive moisture is migrating from above the slab, and with this particular installation they have taken measures to be sure we don't have that problem again.

Councilor Calvert said there seems to be a big discrepancy between the bidders, and asked if there is reason for us to be alarmed at accepting the low bid.

Robert Rodarte he asked that same question this morning. He said when you have an emergency procurement of this nature, we tend to get some super high quotes. He said based on his experience, the bottom two bids are in line, but the other is extremely highly padded.

Councilor Calvert said this roof and the one at Salvador Perez were suggested by staff to be paid from the excess GRTs. He wants to be sure that we don't waste money by doing the wrong thing first and then having something else impinge on it.

Councilor Wurzburger said, with regard to the leaking roof, we can't wait to make up our minds.

Mr. Rodarte said the funding for replacement of the floor and replacement of the roof over the pool were included in the Parks Bond Initiative. He said they included repairs to the other portions of the roof which wasn't specifically "called out for" in the Parks Bond. He said the replacement roof is over the entire facility.

Responding to Councilor Calvert, Mr. Rodarte said the \$100,000 included in the Parks Bond was to cover the area over the pool only, but they were able to address the entire roof.

MOTION: Councilor Wurzburger moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

13. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – ON-CALL PLANNING AND ENGINEERING DESIGN SERVICES FOR NON-MOTORIZED TRAILS (RFP #07/26/P); GANNETT FLEMING WEST, INC. (LEROY PACHECO)

Councilor Wurzburger asked if we couldn't hire a staff person to do this, rather than setting aside \$200,000 to call people when we might need them, and asked Mr. Romero to comment.

Mr. Romero said these are services to do trail design, noting the current staff isn't set up to do large designs. Responding to Councilor Wurzburger, Mr. Romero said, to expedite the process for the Trails Bond, he has gone out to RFP for on-call engineering services, and there are several firms on call including Gannett Fleming, Wilson, Parsons Brinckerhoff, who can submit a bid and schedule for work. He then goes with the lowest bidder.

Responding to Councilor Wurzburger, Mr. Romero said to bring this in-house would mean increasing the staff by 20-30 people, because the current staff are project managers, and to run projects takes a lot of time, if we had to design them as well.

MOTION: Councilor Wurzburger moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

15. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – FRANKLIN E. MILES PARK – PUBLIC RESTROOMS BUILDING; ROMTEC. (MARY MacDONALD)

Councilor Wurzburger asked the size of this restroom for \$325,000.

Ms. McDonald said it is 720 sq. ft., it is turnkey, so they design as well as construct it.

Councilor Wurzbarger asked if it is more costly because we wanted a protected module, and this sounds like a lot of money for a restroom.

Ms. MacDonald said some of the special feature are all stainless steel fixtures because of the extreme vandalism we're seeing at Franklin Miles Park. She said they almost broke into the old concession buildings through one of the heaviest plate locks ever seen on a steel door. She said, "They're pretty radical at Franklin Miles Park with their activities, so we went for stainless steel fixtures, really, you know, some real increases beyond a strong building."

Ms. MacDonald said there are six toilets in the womens' restroom, including the ADA space, and all are flush valve toilets due to vandalism concerns as well as the level of use. There are three urinals and three sinks in each, with a janitor's way. There are no waterless urinals. Everything is as vandal proof as they could make it. She said they believe if they put it out to bid, the cheapest possible construction would be frame and vandals could get through that. This is the reason it is CMU walls which are grout filled.

Responding to Councilor Wurzbarger, Ms. MacDonald said CID is making them do the restroom in order to issue the permit for the concession building at Franklin Miles, and insisted on a letter in writing from the Public Works Director promising to build restrooms there, because that is how they interpret City Code.

Councilor Dominguez asked what is in the warranty.

Ms. MacDonald said the best possible planning for it to be not as destructive as the standard china fixtures. She said it is mainly the choice of the materials and the construction, as well as the stainless steel fitting which are much more difficult to randomly make inoperable.

Responding to Councilor Wurzbarger, Ms. MacDonald said the funds are coming from the Parks Bond.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve this request.

VOTE: The motion was approved on a voice vote [Absent: Councilor Ortiz].

END OF CONSENT CALENDAR DISCUSSION

Councilor Ortiz arrived at the meeting

DISCUSSION

PROPOSED RESOLUTIONS AND ORDINANCES: (WITH NO FISCAL IMPACT)

20. **REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON AUGUST 27, 2008, OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2008B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING AND DISCHARGING THE OUTSTANDING CITY OF SANTA FE, NEW MEXICO, GROSS RECEIPTS TAX REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 1997A; AND CITY OF SANTA FE GROSS RECEIPTS TAX REVENUE BONDS, SERIES 1999; PROVIDING THAT THE REFUNDING BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM THE GROSS RECEIPTS TAX REVENUES; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, IN CONNECTION WITH THE REFUNDING BONDS; PROVIDING FOR REDEMPTION OF THE SERIES 1997A AND 1999 BONDS; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE REFUNDING BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE REFUNDING BONDS; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND RELATED MATTERS. (DAVID MILLICAN)**

Responding to Councilor Calvert, Dwayne Brown, Modrall Firm, said the Council moved its regularly scheduled Council meeting back to August 11th which opened a two day period where we can get a notice in the paper, and still have the two weeks advance notice.

Mr. Millican said in this case, he is interested in getting as close to the current interest rates as possible.

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

PROPOSED RESOLUTIONS AND ORDINANCES: (WITH FISCAL IMPACT)

21. **REQUEST FOR APPROVAL OF AN ORDINANCE CREATING NEW SECTIONS 14-2.10 AND 14-2.11 SFCC 1987 ESTABLISHING THE SANTA FE EXTRATERRITORIAL LAND USE AUTHORITY (ELUA) AND THE SANTA FE EXTRATERRITORIAL LAND USE COMMISSION (ELUC) (COUNCILOR ROMERO). (FRANK KATZ) Committee Review: Planning Commission (Recommended Approval) July 17, 2008; Public Works Committee (Approved) July 28, 2008; City Council (Request to Publish) August 11, 2008; and City Council (Public Hearing) September 10, 2008.**

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to move the Executive Session on Items# 22 and #23, to the end of the agenda

VOTE: The motion was approved unanimously on a voice vote.

**24. REQUEST FOR APPROVAL OF 2008/2009 ARTICLES OF FIRE UNION NEGOTIATIONS
(CHIEF CHRIS RIVERA)**

Chief Rivera said this wasn't a full contract, so the main focus of union and management was on the Airport rescue firefighters. They were hoping to have planes coming in by this time. However, to make the program work, we needed to make the full commitment to it. He said we have been asking firefighters to commit to be out there for two years without any dedication to the program on our part. To do that, several agreements were made to add additional personnel. Currently there are five personnel at the Airport, and the request is to reclassify some of those and to add one additional firefighter. He said this is to ensure the program continues to function properly. He said this was focus of the majority of the negotiations, noting he was not the lead negotiator. He said the lead and co-lead negotiators, as well as the Union President are in attendance to answer questions.

Responding to Councilor Calvert, Chief Rivera said this will happen at mid-year, after the mid-year budget approval, and the additional cost will be \$130,000 for the rest of the year.

Mr. Millican said staff will be preparing a budget adjustment for Council consideration before the mid-year review.

Councilor Calvert wants to know the specific source of funds.

Mr. Millican said staff will have to look at budget line items for possible areas of reduction and then develop a proposal for review.

Responding to Councilor Calvert, Chief Rivera said all of the positions are in the union, and the Union Contract states that every station has to have a Captain. He said we have remiss in our duty to the Airport and our commitment to the Airport by not having a Captain there. This language just catches us up to where we should have been.

MOTION: Councilor Dominguez moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

Councilor Ortiz assumed the duties as Chair

PROPOSED RESOLUTIONS AND ORDINANCES: (WITH FISCAL IMPACT)

- 25. REQUEST FOR APPROVAL OF AN ORDINANCE CREATING ARTICLE 24-4 SFCC 1987, THE SANTA FE TRAFFIC OPERATIONS PROGRAM OR "STOP," REGARDING VIOLATIONS OF THE TRAFFIC CODE DETECTED BY A CAMERA OR SPEED DEVICE (COUNCILORS TRUJILLO AND WURZBURGER). (CAPTAIN ANTHONY ROBBIN). Committee Review: Public Safety Committee (Approved w/Amendments) July 15, 2008; Public Works Committee (Approved) July 28, 2008; City Council (Request to Publish) August 11, 2008; and City Council (Public Hearing) September 10, 2008.**

Darren T. Kolack, Regional Sales Manager, RedFlex Traffic System presented information via power point. Please see the text of this presentation which is in the Committee packet.

Captain Anthony Robbin reviewed the information in the Committee packet.

Chair Ortiz asked the fine schedule being proposed.

Captain Robbin said the red light fines would be \$51 plus a \$15 processing fee for a total of \$66 for a first offense. He said, depending on the option chosen, the company would get 25-30% of the overall citation.

Councilor Trujillo said he has nothing to add to the presentation. He noted that people run red lights every day in the City.

Chair Ortiz asked the number of citations needed to break even, to make the system pay for itself.

Mr. Kolack said about 66 citations per day was used on the financial analysis. He said the return on investment to RedFlex is a long process over 3-5 years. He said they know there may be a point in time where they may be no return on investment if the program does what it is supposed to, and this is the reason they indemnify a city and only ask for a per paid portion or a flat fee or a combination to provide the services.

Chair Ortiz said if the program works, we should see a decrease over time. The law of diminishing returns will tell you that there is a point where, because of the effectiveness of the program, it is no longer feasible to run the program, and Mr. Kolack agreed. Chair Ortiz asked what happens then.

Mr. Kolack said, "Absolutely nothing." He said the idea behind photo enforcement is that it is just another tool for enforcement. He said in three years if it were to cost more to run the program than it's generating, the company won't come back and remove the program nor renegotiate the contract. It is for the life of the program.

Chair Ortiz asked what happens at the end of the contract, and the system is in place and doing its job and reducing the citations, therefore reducing the amount of revenue – it has come to the point where the company isn't making money. What happens then. Does the company renegotiate and flip the equipment to the City, or operate at a loss or what.

Mr. Kolack said, hopefully, they have already gotten the return on the investment and the tool is doing its job over time, but there is no means for them to pull a program from a city, and they continue to operate the program. He noted when the program is removed, the old driving habits will kick back in and you start to see an increase in accidents. He said if they pulled the program, they would be defeating the purpose of affecting public safety.

Councilor Calvert said the biggest costs for the company are the equipment and its installation, and the operations by the company are spread over the whole network, and after five years, anything would be "gravy." He said he isn't clear what happens after the contract expires.

Mr. Kolack said they continue to monitor it, because without their services the "system would be a camera sitting on the side of the road doing nothing. There always would be a means to go ahead and provide Santa Fe the service, and there would be no situation where the company would say it couldn't support a program. This is specific to his company.

Councilor Dominguez said he has received mixed feelings about this from his constituents. He said both he and the public need to be convinced that this isn't something being implemented to raise revenue. He said the reality is this is a company which needs revenue to operate. He said this is identified in the Police Department's strategic plan as a potential source of revenue. It was also identified as a source of revenue in the overall strategic plan. He wants to be sure that the reason we're doing this is to change driver habits.

Councilor Dominguez sees enforcement as being different from education. He asked what happens in the education component to let people know the cameras are in place. He said the reality is that we want to put the company out of business and we want as few people running red lights if possible, which doesn't make sense if this is revenue generating oriented.

Captain Robbin said one of the tiers of the program before start-up is that RedFlex helps with as much advance publicity as we request, and one of its tiers is public education, noting this was a problem in Albuquerque.

Responding to Councilor Dominguez, Captain Robbin said RedFlex will help with public hearings, including attending the hearings, and newspaper advertising to explain the system as well as PSAs on the Government channel or regular television. He said RedFlex has made it clear that one of its biggest things is advance PR and will assist us in every aspect of that PR.

Councilor Dominguez asked if the PR goes beyond the implementation and through the life of the project.

Mr. Kolack said this is correct. He said one of the biggest myths which follows them as being a for-profit entity is that all they want to do is put cameras on the road and turn them on. He said in advance of any program going live, their fairly extensive public relations department which will work with the Council or anybody else. He said one of the key factors in maintaining community support is letting the community know about the successes of program.

Councilor Dominguez noted there are hit and run crash statistics, and asked how many of those are attributed to red light violators, saying if we're going to evaluate the reduction in red light crashes we need that information.

Captain Robbin said those are significant, and he can get the information to him. He said the cameras make the intersections more safe, and make the peripherals more safe as well.

Councilor Dominguez asked about the synchronization of the traffic signals. He said there are streets where there is very little time to turn from a side street onto a main road. He said this begs the question of whether the intent is to back up on side streets so there is no backup on the main road, which seems to suggest we are encouraging red light violations, because people know they need to get through the intersection on the light or they'll be waiting for a longer period of time. He asked how the company will work with Public Works to resignalize some of these intersections.

Mr. Robert Romero said they have done the resynchronization of all the signals in town. He said they have tried to limit or reduce overall signal delay. In order to do that, it was found that cutting the time on the minor streets and giving more time to the major streets, the overall delay of the entire intersection is decreased. He said there are areas such as Alameda/St. Francis where, because of complaints, over time they have been increasing the time to address the public concerns, knowing that they are adding to the overall delay.

Councilor Dominguez believes we need to do that analysis throughout the City before implementing red light cameras.

Mr. Romero said he hasn't heard complaints about other intersections, other than Alameda/St. Francis.

Councilor Dominguez said there are problems from Osage north to Cerrillos, at Zafarano west onto Rodeo. He said it seems we need to do work in calibrating those signals before we implement red light cameras, if we are really looking at changing driver behavior, before implementing fines and punishing people for something which could be better and safer.

Councilor Dominguez it is the Council's responsibility to understand the cost to the public to make this happen, if the returns are realistic, and will the impacts be beneficial.

Councilor Wurzbarger said she has cosponsored this from the beginning, and believes it will be a deterrent. She does agree with Councilor Dominguez's comments and Chair Ortiz's questions about measuring the impact. She would like a one year review provision to be added the ordinance so we can know the impact of the red light camera program.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to approve the ordinance, with an amendment for a one year report, with the understanding that this program will cost the City nothing to implement, and any money received over the cost of the program will go back to the Police Department and not into the General Fund.

DISCUSSION: Chair Ortiz asked, since we are placing cameras only at the four intersections, if the expectation is that we will be making money on the citations, not only from those intersections, but also from the mobile unit, which is basically a speed truck which will be provided by the company.

Captain Robbin said yes, the request is for the four intersections and at least one mobile speed van we can use in school zones, construction zones and other locations.

Chair Ortiz asked if there is a possibility we could request more than one speed van.

Captain Robbin said yes, depending on the contract. Or, if it does lower speed and we need another one, we could ask for another one.

Chair Ortiz said then this just isn't about safety at traffic intersections, it is about safety at traffic intersections and to catch speeders.

Captain Robbin said the ordinance is for both intersections and speed enforcement.

Chair Ortiz noted the problems experienced by Albuquerque with the Legislature and the bill that was passed. He said all of the designated intersections are on State roads, and asked if someone from DOT is going to want us to share revenue because these intersections are covered under our agreement with the DOT. He said they're looking for money too with the Rail Runner coming to town. He asked Captain Robbin if he has had discussions with the DOT.

Captain Robbin said he has had no discussions, and he doesn't have the answer to that.

Chair Ortiz said he appreciates the information in the packet about the lessons learned from the City of Albuquerque and/or what we can do differently. He is concerned that the DOT might become interested in our revenue.

Councilor Wurzbarger will be meeting with Secretary Faught later this week and will be asking that specific question, so the answer will be available before the Council meeting.

Councilor Calvert understands we are adopting an ordinance this evening. He asked when the contract will be drafted and will that go through the Committee process. He is uncomfortable with who will come up with what is in the contract, and wants a better understanding of that.

Chair Ortiz noted there is a draft contract in the packet and the fees differ from what was said publicly, and asked if those are negotiable.

Mr. Kolack said the contract provided is the standard boiler plate contract to give an idea of the verbiage and what would be provided. However, we haven't reached the contract component and different prices can be approved.

Councilor Calvert said, for example, the question was asked if it would include the rumble strips and notice,

and Mr. Kolack said it would if that is in the contract. He wants to know if we will see the contract before it is signed.

Mr. Kolack assumes it would be done by the Council in conjunction with the City Attorney.

Councilor Dominguez asked if the company would do a one year contract.

Mr. Kolack said they have done a one year pilot with an one year evaluation. He said a one year contract would be difficult, depending on the number of locations because of their investment. He said typically a contract is 3-5 years with renewal, and a one year review such as suggested by Councilor Wurzbarger.

Responding to Councilor Calvert, Mr. Kolack said the contract allows for expansions as well as reductions. He said they provide the infrastructure, but it truly is Santa Fe's program to run the way it sees fit.

Councilor Trujillo said the ordinance provides on page 14, line 17, "Any and all revenue obtained through Santa Fe Safe Streets Program shall be used for the Santa Fe Police Department for service enhancement and public safety."

Friendly amendment: Councilor Ortiz would like to add language to create a special revenue fund specifically designated for public safety and add the purposes. **The amendment was friendly to the maker and second.**

Councilor Dominguez asked when we can see a contract, and will we take formal action on the contract itself.

Councilor Trujillo said he spoke with Mr. Katz and we can start work on the contract after it goes to the City Council.

Councilor Wurzbarger would like to see a proposed draft contract.

Councilor Dominguez asked what happens if we can't agree to a contract, what happens to the ordinance, and asked if we just go out to bid.

Councilor Ortiz said he hadn't thought about the possibility of going out to bid, and asked Mr. Rodarte to comment.

Mr. Rodarte said right now this is a presentation, and the City has not gone through a formal process with an RFP. He said this is a vendor giving a presentation. He said to look further with them, he needs to look at some of the other vendors and contracts with other cities. He said we could piggyback off something existing and modify from there. He said we before we go further into this, we need to look at what is out there with other cities, and not move forward with decisions. Mr. Rodarte said he invited Captain Robbin to discuss it with him to ensure we're doing this correctly. He doesn't want to deter from what they're trying to do, but for our protection, the City must follow the procurement rules.

Friendly amendment: Councilor Wurzbarger would like to amend the motion that we don't want a contract, and we will pass the ordinance and then go through the procurement process. **The amendment was friendly to the second.**

Chair Ortiz expressed appreciation to Mr. Kolack for presenting this information on red light cameras.

Mr. Rodarte said Mr. Kolack can get the information we need from other cities, if he really wants to continue to move forward, and provide contracts from other cities for review.

Chair Ortiz said then there needs to be interface between the procurement office, the City Attorney and the Police Department with regard to the right protocol to get something before the Council.

Councilor Dominguez wants clarification that there is nothing in the ordinance which reflects any programs by this particular vendor, and that STOP is our acronym exclusively.

Captain Robbin said the ordinance was written strictly as a red light camera program and nothing in the Ordinance has any reflection to RedFlex at all.

Councilor Dominguez wants to make sure that Captain Robbin is not making any assumptions about the success of this program based exclusively on the input of only one vendor.

Captain Robbin said no, noting that a lot of the data comes from the company, but it also includes National Highway Transportation numbers.

Councilor Dominguez said, "The level of success that you think we can obtain is based on general data and not information that this particular vendor has given. In other words, you haven't made any promises that are just really relevant to this company."

Captain Robbin said, "No Councilor, we can't do that. They've helped us, but again, the ordinance is specifically for red light cameras again, and there is nothing in there that even mentions RedFlex as a company."

VOTE: The motion, as amended, was approved unanimously on a voice vote.

- 26. REQUEST FOR APPROVAL OF A RESOLUTION AGREEING TO REJOIN THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT AS A VOTING MEMBER OF THE DISTRICT AND TO REAPPOINT A BOARD MEMBER TO THE BOARD OF DIRECTORS (MAYOR COSS AND COUNCILOR CHAVEZ). (JON BULTHUIS). Committee Review: City Council (Schedule) August 11, 2008.**

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to postpone this item to the next meeting of the Committee.

DISCUSSION: Councilor Wurzbarger said she is tired of being ahead or behind the County on this issue. She said the staff and the Governing Body have spent a tremendous amount of time, and we're once again out of sync. She wants to see what the County does in its meeting. She said a key issue for the City is the issue of authority, and she doesn't see the money going through the RPA or to the City, noting the money has been split.

Councilor Calvert said the Council voted to withdraw, contingent on the County's withdrawal, and that has happened. He said we both are officially withdrawn, so if the County rejoins, we don't come along automatically and we have to do separate action, and it doesn't matter in which order we do that.

Mr. Bulthuis said this is correct.

Councilor Calvert asked if there are time sensitive issues in terms of our rejoining.

Mr. Bulthuis said no. The time sensitivity now rests with the County because it needs to place the item on the ballot. The City can join at any time after the County takes action.

Councilor Calvert said Paragraph B says, "Provides Santa Fe County with funds."

Chair Ortiz said it should say the City of Santa Fe and Santa Fe County.

Councilor Wurzbarger said it isn't acceptable as written.

VOTE: The motion was approved unanimously on a voice vote.

EXECUTIVE SESSION

22. DISCUSSION OVER THE DISPOSITION OF CERTAIN REAL PROPERTY TO PNM BY THE GOVERNING BODY, AN EXCEPTION TO THE OPEN MEETINGS ACT PURSUANT TO NMSA §10-15-1(H)(8). (MARCOS MARTINEZ)

23. REQUEST FOR APPROVAL OF THE DISPOSITION OF CERTAIN REAL PROPERTY BY PNM BY THE GOVERNING BODY. (MARCOS MARTINEZ)

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to go into executive session to discuss the disposition of certain real property to PNM by the Governing Bod, pursuant to §10-15-1(H)(8).

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Calvert, Councilor Dominguez and Councilor Wurzbarger.

Against: None.

The Finance Committee went into Executive Session at 6:40 p.m.

MOTION: At 6:55 p.m., Councilor Calvert moved, seconded by Councilor Dominguez, to go back into regular session, stating that no decisions were made and only those items on the agenda for the Executive Session were discussed.

VOTE: The motion was approved unanimously on a voice vote.

MOTION: Councilor Calvert moved, seconded by Councilor Wurzbarger, to approve Item #23, the disposition of certain real property to PNM by the Governing Body, as recommended by staff.

VOTE: The motion was approved unanimously on a voice vote.

27. OTHER FINANCIAL INFORMATION:

A. UPDATE ON GROSS RECEIPTS TAX FOR JUNE 2008 AND LODGERS' TAX FOR JUNE 2008. (DAVID MILLICAN)

David Millican presented information from the materials in the packet. He said if we exclude the amount identified as the GRT allocation adjustment amount, the estimated revenue for the year grew only 2% instead of the forecasted 4%. He said of particular concern are the March-Jun months, where there are 4% decreases for the year, but there is a 2% increase in July. He wants to watch this carefully as the summer season revenues come in. He said these are of concern, and are some of the issues mentioned to the Committee in terms of staff recommendation to create a contingency appropriation from the allocation adjustment. He noted the strength of retail is up 8% from year to year.

Councilor Calvert said it would be nice to look at prior years and discern a trend, but the information has been inconsistent in form.

Mr. Millican said the timing of the receipt, posting and transmission makes it extremely difficult to do any kind of reasonable time series analysis. The State's confidentiality protection also makes it difficult.

Mr. Millican said "Miscellaneous" is a catch-all, noting the State uses the SIC codes to categorize the revenues. He said the MUNY equipment distribution is a new revenue source from the state which is expected to triple in the next two years, and although it won't be a huge amount, it is additional revenue.

Mr. Millican said Lodgers' Tax suffers as well, noting our information system doesn't tie the information on the return date to reporting date, only to cash receipts. He said the receipts are disappointing, given last year's receipts, noting a caution here in terms of what revenues would be available to support budget.

B. PRESENTATION ON BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007/2008. (DAVID MILLICAN)

A copy of an email to the Finance Committee, with attachments, from David N. Millican, containing two supporting schedules on budget adjustments, is incorporated herewith to these minutes as Exhibit "1."

A copy of "City of Santa Fe City Council Strategic Planning Initiatives and Basic Services Support," is incorporated herewith to these minutes as Exhibit "2."

Mr. Millican said in the last set of approvals he provided supplementary information which looked at those items which had not yet been presented to the Council, and he said he would present additional information. He has provided a Memorandum which identifies some of his observation based on his experience.

Mr. Millican reviewed some of the appropriation adjustments on page 1 of 1 in Exhibit "1," noting these are approvals which were done in anticipation of Council ratification, noting in some cases the Council has identified a funding area, but hasn't approved a budget.

Chair Ortiz said the Civic Center, Farmers Market Fund and Buckman Direction Diversion are three items on the list he can recall where the Council would have given some authority to staff on projects, but he can't remember what was done on the other things listed.

Mr. Millican said there was a report to the Council on the Municipal GRT/Railyard General Fund identifying possible funding for the software.

Chair Ortiz does recall taking action on the new software and approving that contract.

Mr. Millican said at the end of that report there was a reference that funding possibly could come from this account. He said this is part of the issues about which he has concerns and that he wants to change. He wants to be sure there is a very clear set of priorities, and when contracts come forward the whole package is approved at the same time – the contract, the source of funding and perhaps expand the FIR reporting which will indicate what the use will do for this purpose as opposed to other uses of the funds. He said it turns out, the Railyard project funding can be used for the Railyard or general fund purposes and these are the only restrictions.

Chair Ortiz said he introduced a resolution in the past which provides any revenue from the Railyard Fund will go back into the Economic Development Fund, noting there was a "fight" at the time in getting that passed.

Chair Ortiz said it makes more sense to do these things in a package approach. He asked if we will be getting information on any or all of the line items in addition what's here or if this is the level of detail which is available.

Mr. Millican said he can produce more information on items of interest to the Committee, noting sometimes the appropriations are based on Council action, other times there is limited background information.

Chair Ortiz asked, for example, the "Appropriation to cover operating budget shortfalls for water service in city parks," if that means that we over-watered the parks by \$200,000 or if we under-budgeted the water budget, noting this doesn't make sense to him. He said another example is on the Insurance Claims Fund, Appropriation to cover increased legal services expenses for the Alto Eldorado Partners vs. City of Santa Fe case. He said this Committee never heard a case, any case.

Chair Ortiz said at the next Finance Committee meeting he would like a listing of all pending litigation, a list of the legal contracts, the names of the lawyers/firms and how much money we've spend in legal fees, and put that on the agenda for an executive session. He said there are two funds, Insurance Claims and Workers Compensation, where decisions are being made by staff, mid-level staff, and those decisions need to be approved by the Council in accordance with City ordinance. He said he doesn't recall approving an expenditure in the Alto Eldorado case, so why would we need to spend more money. He said we're running into the situation where we have a contract and then suddenly we're over budget with Amendment No. 2 to the contract, and tripling the value of the cost of legal services, when we didn't even know what the case was about. That doesn't make sense to him, and he wants to see that practice stopped.

Mr. Millican said he will talk with the City Attorney and look at that issue.

Councilor Wurzbarger noted on page 1, there is a Civic Center CIP fund, and asked why this is a non-routine appropriate when the allocation of the funding is per the schedule and we're not over budget.

Mr. Millican said in this case, the funds are in there, but the amount transferred in a given year as the budget amount is the expenditure for that year.

Responding to Councilor Wurzbarger, Chair Ortiz said it is called non-routine because it is a one time transfer.

Mr. Millican said all of the transfers are transactions in furtherance of the business of the City, but in some cases these could be anticipated and probably could go through the Committee/Council process. He said, for example in grant adjustments, the Council may have approved the grant, but when it comes in the amounts are different and there are specific provisions for that.

Chair Ortiz suggested further refining the list to have all of the grants in one part of the report.

Mr. Millican said his objective in designing a system is to establish an operating contingency appropriation at the beginning which serves as the limit on staff authority to move money to various operating needs, with regular reporting on the contingency, and possible requests to increase it for unanticipated circumstances.

Chair Ortiz said his experience with the City is, to the extent contingencies are built in, they are built in by fund by departments, and then we do this game of budget adjustments within funds and across departments, instead of keeping the budgets tight with a contingency to allow for different things, as

suggested by Mr. Millican, and measure against that contingency instead of by fund or department. This would be more transparent.

Mr. Millican said, as noted in his Memorandum, contingency funds need discipline because they can be targeted as opportunities for spending. He spoke about his ideas in terms of budgeting which he has noted in his Memorandum. He wants to talk to the Committee over the next two months about the extent to which we need control which might otherwise be delegated to departments where they would be held accountable for those controls and others where the Council and Committee might spend time at a higher level looking at the major trends affecting the City.

Chair Ortiz said he is willing to spend more time with Mr. Millican to see how to put that on for discussion within the next two months, so we can develop formal policy action by mid-year.

Chair Ortiz understands the second page of the list are contracts under the authority of the City Manager.

Councilor Wurzbarger said on page 1 of 2, she believes there is only one grant for the Creative Tourism Conference from McCune which is listed under Community Services for \$15,000.

Mr. Millican believes it is double listed and he will check on it.

Mr. Millican said the second list are appropriations under \$30,000 which totaled \$667,000 over 6 months. He believes the contingency appropriation approach might be a better way to control those.

Chair Ortiz would like to see, in addition to this information, where appropriate, the actual source or beneficiary of the expenditure, especially for contracts. The Committee used to get a listing of who was getting the money. He said there is either a Resolution or an Ordinance which dictates that the Council is supposed to see who gets those contracts under \$30,000, but we haven't had that for the last year.

Chair Ortiz said we need to have more discussion on the contingency approach, because although he agrees conceptually with the idea. He said there is a need for this interdepartmentally, and wants to see that "fat" removed from the Department budgets as we move forward, commenting he knows that's where all of that "stuff is hidden, or at least has been placed." He said to be true, we need to squeeze that out and be consistent, because he doesn't want to be duplicating. He said there will be efforts, although small, it will mean a lot to our constituency and \$25,000 or \$50,000 means a lot in a district. This is the reason he wants to talk with Mr. Millican about this and come up with a game plan for the Committee to hear and adopt a policy.

28. MATTERS FROM THE COMMITTEE

There were no matters from the Committee.

29. ADJOURNMENT

There being no further business to come before the Committee, and the Committee having completed its Agenda, the meeting was adjourned at 7:20 p.m..

Matthew E. Ortiz, Chair

Reviewed by:

David Millican, Director
Department of Finance



Melessia Helberg, Stenographer